

IMPLEMENTATION OF LOAN GUARANTY PROVISIONS OF PUBLIC LAW 110-389

1. PURPOSE

a. The purpose of this circular is to clarify entitlement calculations for certain veterans with previously used, unrestored entitlement. The instructions, as stated in paragraph 4 of the basic circular, could lead lenders to underestimate the amount of entitlement available to these borrowers.

b. Additionally, this circular announces the deletion of the “FHA Outreach” website from our basic circular instructions. Use of the FHA Outreach site is no longer necessary because VA has performed the calculations for each county and posted the resulting figures on our website at: http://www.homeloans.va.gov/docs/2009_county_loan_limits.pdf. Examples of guaranty calculations are available at: http://www.homeloans.va.gov/docs/guaranty_calculation_examples.pdf.

2. Therefore, Circular 26-08-19 is changed as follows:

Page 1, paragraph 4

Subparagraph a, lines 1 and 2: Delete “\$417,000” and insert “\$144,000”.

Subparagraph b, lines 1 and 2: Delete “\$417,000” and insert “\$144,000”.

Page 2

Paragraph 5: Delete.

Paragraph 6: Redesignate this paragraph as 5.

By Direction of the Under Secretary for Benefits

Mark Bologna, Director
Loan Guaranty Service

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